Ohio Rail Development Commission

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July 14, 2011

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, July 21, 2011** Commission Meeting. Minutes of the May 12, 2011 Commission Meeting are enclosed for your review.

This meeting will be held at the **OKI (Ohio Kentucky Indiana) Regional Council of Governments, 720 E. Pete Rose Way, #420, Cincinnati, OH 45202**. The ORDC Commission Meeting will begin promptly at 11:00 a.m.

If you haven't already done so, please contact Suzy Pettet to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at suzanne.pettet@dot.state.oh.us

We look forward to seeing you.

Sincerely,

James G. Bradley
Chairman

Enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA

Thursday, July 21, 2011, 11:00 a.m.

At the Offices of the Ohio-Kentucky-Indiana Regional Council of Governments
720 East Pete Rose Way, Cincinnati, Ohio

CALL TO ORDER: James G. Bradley, Chairman

- Welcome
- Roll Call
- Approval of Minutes from May Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

ITEMS FOR APPROVAL

- 11-09 Village of Leipsic Railroad
- 11-10 Columbiana County Port Authority Loan Modification

APPROVED PROJECT BRIEFINGS

- Columbus & Ohio River Railroad Expansion of Newark Yard

OKI REGIONAL FREIGHT PLAN PRESENTATION

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

ADJOURN

MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
May 12, 2011

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Chairman James Bradley at 11:08 a.m. on Thursday, May 12, 2011.

MEMBERS PRESENT

Members present included: Chairman James Bradley, Commissioners Tom McOwen, Rob Greenlese, Bill Lozier, Greg Murphy, Larry Sowers, Barbara Hammontree-Bennett, Solomon Jackson, Herk Wolfe and Nate Green. Commissioner Rasmus was unable to attend. There were ten voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE MARCH MEETING

Chairman Bradley asked for a motion to approve the minutes of the March 10, 2011 meeting. Commissioner Greenlese moved to approve the minutes and Commissioner Sowers seconded the motion. Roll call was taken. The minutes were approved as presented with ten votes in the affirmative.

EXECUTIVE DIRECTOR'S REPORT

Director Dietrich presented the Executive Director's Report, which can be found on page 9 of the commission packet. Director Dietrich reviewed the outstanding activities since the March meeting.

He said that work on the first TIGER grant-funded project on the National Gateway, the interlocking in Magnolia, WV, started on April 6th.

Director Dietrich said that staff has received comments from FHWA regarding the Safety Program Project Development Process. FHWA has requested that ORDC provide more detail on the project selection criteria.

Director Dietrich said that we are three contracts away from having all contracts executed for the Crossbuck Assembly Program. The first batch of crossbucks has been shipped to Cleveland Commercial. We will be touching base with FHWA on how to deal with Out of Service tracks.

Director Dietrich said that we testified before the Senate Finance Committee on Friday, May 6th on the ORDC GRF Budget. The House Budget reduced GRF by $287,000 to an even $2 million in each year of the upcoming biennium. He said Commissioner Murphy also testified for ODOT. There were several questions asked about rail such as: How is the relationship working between ORDC and ODOT? How is the 3C being wrapped up? There were also concerns about Cincinnati area congestion. Director Dietrich said that the Senate is very engaged in freight logistics and the importance of rail for the state.

Commissioner Lozier asked why FHWA is looking for more information. Director Dietrich said we have 10 programs that qualify projects for consideration. They just want more documentation on what our procedures are once potential projects are identified.

Chairman Bradley said during his process in preparing to testify, he went through our accomplishments, which are quite impressive, for the justification of continuation of our

commission and of our budget. He said in the area of safety, over the last 10 years, our improvements are pretty remarkable. In Economic Development, we have infrastructure projects, rail spur projects, etc. For every dollar we put out, we leverage $21 of private and/or public investment in the state of Ohio. Chairman Bradley said our commission has a pretty good record. Our leadership role the staff plays in projects such as National Gateway, North Baltimore, etc. makes it very easy to testify. The amount of work we put out with the number of people we have and the variation of experience represented by our commissioners, which is all volunteer, is a model for the way of getting things done in the future for the state of Ohio.

FINANCE REPORT

Megan McClory, ORDC's Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 11 of the commission packet. Ms. McClory gave an update of the current fiscal year budget. When Ms. McClory wrote the report, we were waiting on release of approximately $151,000 that has been withheld from the ORDC budget since the start of the fiscal year in July. Ms. McClory was excited to report that she received word earlier this week that OBM has released the funds and they are being credited back to our account. We are working to identify a project to use with these monies.

Ms. McClory asked for anyone that had any expense reimbursement requests to please turn them in as soon as possible.

Ms. McClory gave an update on the ARRA projects. Construction is under way on the Airline Yard Intermodal Facility (NS). There is a preconstruction meeting next week. The City of Medina rail line rehabilitation will be advertising for bids within the next couple of weeks. The City of Youngstown/Brier Hill Industrial Park is advertising for the 3rd time. The Toledo Shipyard Rail Spur was scheduled to wrap up this weekend, but due to all the rain, it should be completed by the end of the month. Work is underway on several of the CSX National Gateway locations. Construction has started at the Park Street bridge removal site in Akron. Design has begun as part of the design-build project for Mud Lake Road in Medina County. Construction of the railroad interlockings at Kent and Ravenna is underway.

Ms. McClory said that if anyone is planning on staying at a hotel in Cincinnati either before or after our July Commission Meeting, to let us know and Suzy will prepare a letter requesting government rates.

Ms. McClory said we are scheduled for a visit in late May from a National Review team from the FHWA. They will be looking at a number of stimulus projects we have been administering. She said it has been described as an opportunity to review how we have administered projects and how the Ohio Division Office has interacted with us to identify if everyone is doing a great job or if there are opportunities for improvement.

Ms. McClory recognized our intern, Sarah Cunningham. She just graduated from Walsh. She will work with us during the summer until she leaves to attend law school at the University of Toledo. She also recognized our intern, Matt Malich. He is a senior at OSU in their civil engineering program. She said we are going to hang on to him as long as we can. Ms. McClory thanked both of them for the work they do.

Director Dietrich said that for the benefit of Commissioner Murphy, he wanted to publicly acknowledge District 3. They have been critical in the work on the National Gateway project.

APPROVED PROJECT BRIEFING: NCI GROUP, INC./METAL COATERS MIDDLETOWN, OHIO RAIL SPUR

Lou Jannazo presented the briefing found on page 17 of the commission packet. The Executive Director and Chair approved a grant of $75,000 to NCI Group, Inc. d.b.a. Metal Coaters to be applied toward the cost of a new CSX turnout, and/or a new rail spur for a new NCI coil coating operation in Middletown. They purchased an existing facility in Middletown. They will also be using some of the existing equipment. They are investing $12.7 million into getting a new metal coating operation started. 74 new jobs will be created. The rail costs are about $900,000. Our $75,000 grant will help offset some of that. There is also a $100,000 grant from ODOD towards rail costs. They were going to start last year, but due to the economy, they had to wait until this year.

John Kuzdal and John Wallace were available to answer any questions. Mr. Kuzdal said that NCI has a division that coats metal coils. They would like to develop this market. They would like to put the rail spur in. They work within a 250 mile radius. Chairman Bradley asked if they would be shipping to other customers or if they would be shipping to their other roll forming plants. Mr. Kuzdal said they are hoping to do both. They probably will eventually build an additional insulated panel facility in the Northern US.

RESOLUTION 11-07 – JAMEN CORPORATION/TRI-MOR CORPORATION LOAN FOR RE-INSTALLATION OF AN NS MAINLINE TURNOUT/CEMENT TRANSLOAD

Commissioner Jackson recused himself. Lou Jannazo presented the briefing found on page 22 of the commission packet and the amended project briefing that was distributed at the meeting. The Jamen Corporation is a partner with the Tri-Mor Corporation. They want to establish a cement transload in Macedonia. They have the property and the rail spur. They do not have the turnout to the rail spur. Mr. Jannazo said the request is for a loan of up to $350,000. Jamen will have to pay $205,000 to NS to put in the rail turnout; $50,000 to upgrade the rail spur; and $95,000 to purchase a rail underloader.

Marty Schlessel, President of Tri-Mor was available to answer any questions. Chairman Bradley asked him why we are doing this opposed to a bank. Mr. Schlessel said that they can get a better rate from us and the money is available right away. Their construction company has tied up their line of credit. He said banks just are not loaning any money at the current time. Chairman Bradley clarified that this loan is for installation of the turnout and not purchasing of a turnout. Mr. Schlessel said that NS had removed the switch a few years ago. Chairman Bradley asked why the railroad would not put the turnout back in. Mr. Jannazo said this happens quite a lot because the turnouts and switches have maintenance costs for the railroads, so the railroads remove them if they are not being used. Mr. Schlessel said it is a main line switch. Chairman Bradley asked what kind of unloader they are purchasing. Mr. Schlessel said it is a rail to truck. It goes underneath the rail car. Their company does not currently have one. Mr. Schlessel said they are rare. Chairman Bradley asked him if they would be more productive with this underloader. Mr. Schlessel said they would be. The underloader is portable and they will be able to take it anywhere in the state. Chairman Bradley asked if it would eliminate anybody's job since they will be more productive. Mr. Schlessel said it would not eliminate any jobs. Commissioner Wolfe commented that this project will bring competition to that region of Ohio

and that the area needs it.

Commissioner Wolfe made a motion to approve resolution 11-07. Commissioner Greenlese seconded the motion. Roll call was taken with nine votes in the affirmative.

Commissioner Jackson returned to the meeting.

RESOLUTION 11-08 – CITY OF GREENFIELD, MIDLAND CITY TO GREENFIELD LINE BRIDGE REHABILITATION

Tom Burns presented the briefing found on page 29 of the commission packet. Mr. Burns said at the January 2011 Commission Meeting, Commissioners approved a grant of $230,000 to the City of Greenfield for repair of bridges along the Greenfield Line to ensure it is ready to accommodate Johnson Control traffic when it reopens its Greenfield plant in late Spring. This amendment would increase ORDC funding for this project and expand the scope of work. The City of Greenfield requested that the scope be augmented to include work beyond the bridge repairs initially identified. Mr. Burns said that ORDC staff is working on the final accounting of funds for FY 2011 to pay for any and all administrative and project expenses remaining in this fiscal year. ORDC Staff recommends approval of up to $35,000 of ORDC GRF to be applied to the Greenfield Line Bridge Rehabilitation project.

Mr. Brian Smith with the City of Greenfield and Mr. George Wehner with R/W Specialists were available to answer any questions. Mr. Wehner said they are very thankful for the money. It will help to get a factory open that has been closed for two years. He said the money is being well spent. Right now they have a contractor working on the washouts. They will use some of this money for ditching that will help to prevent future washouts. The money would also be used for taking off walkways and for ties in the second bridge. Commissioner McOwen asked where the bridges were located. Mr. Wehner said one was before getting into Greenfield and the other one is in Greenfield. Commissioner McOwen asked what a lookout platform is. Mr. Wehner said it is a platform for people to be able to get out of the way of trains.

Commissioner Sowers made a motion to approve Resolution 11-08. Commissioner Bennett seconded the motion. Roll call was taken with ten votes in the affirmative.

2010 JOBS AND CARLOADS REPORT

Director Dietrich presented the 2010 Jobs and Carloads Report found on page 38 of the commission packet. Director Dietrich said this is an annual review of how our projects are performing. We have clawbacks for loans and grants that do not meet performance measures. This report shows the recommendations from Staff. There is only one Staff recommendation at this time. The rest of the projects are in the monitoring period. McDermott Industries have not met the commitment for their grant. Their grant was for an unloading truck for a transload. They have not met their carloads commitment. Director Dietrich said the railroad has modified their service and there is now no railroad to transload to. Director Dietrich said given the size, scope of the grant amount and the extenuating circumstances, Staff recommends we accept the grant as complete. No future monitoring is recommended. Director Dietrich said they are a small company. They are using the transloader, they are just not able to meet their commitment. Director Dietrich said if we clawed back their grant, it could jeopardize their company. They are doing the best they can with the resources they have. Director Dietrich said he knows that this is less than an ideal situation, but the Staff recommends that the 2010 Jobs and Carloads Report be

accepted. Commissioner Bennett asked if the contractors were being subbed out. Director Dietrich confirmed that the facility was planned that way.

Commissioner Wolfe made a motion to accept the 2010 Jobs and Carloads Report and staff recommendations as presented. Commissioner Bennett seconded the motion. Roll call was taken with ten votes in the affirmative.

REPORTS OF COMMITTEES

Panhandle Long Term Lease and Contract & Property Advisory Committee – Commissioner McOwen

Commissioner McOwen explained that the Panhandle Long Term Lease Committee is actually an ad hoc committee that has been going on for years. It is a Sub Committee to the Contract and Property Advisory Committee. Commissioner McOwen said that things are moving on the Panhandle Lease. Staff is working with Ohio Central on the final draft agreement. He said we are very close to agreeing on all parts.

Commissioner McOwen said the Contract and Property Advisory Committee met this morning. They reported on the Panhandle Committee. Commissioner Greenlese volunteered to be part of the Panhandle Sub Committee. Ohi-Rail is still interested in the Piney Fork Line and is working on an appraisal. Commissioner McOwen said they worked on Guidelines for Divestiture of State Owned Lines. The committee came up with a list of things that should be considered. Commissioner McOwen said the list is available to the commissioners. Chairman Bradley asked for it to be e-mailed to all commissioners.

Human Resources Committee – Commissioner Jackson

Commissioner Jackson said the committee met this morning and there were two items on the agenda. One was the Jobs and Carloads report. He said Megan McClory gave a brief overview of the status, what was going on with carloading and jobs, and where we see some areas that may warrant our attention.

The second was in response to Chairman Bradley's inspiration to have a broader net of what the committee should be, they discussed the flexibility ORDC has. They also discussed what we are asked to do on things that are not run of the mill. The committee feels we need to capture, at a very minimum, an administrative fee. Commissioner Jackson said we need to focus on what that should be. The committee is going to roll out some of their thoughts within the next few months. Commissioner Jackson said that we need to recognize what all we do with the size of our staff, 16 full time employees and 2 part time employees. He said we have one of the best staffs in the USA, and that we need to make sure we never lose sight of that.

Megan McClory said she presented to the committee everything that happens up to this meeting in the Jobs and Carloads report. She explained the language included in the agreements. She had an example of the letter we send out every January asking for the carloads and job commitments. She said once we receive the information back we determine if the companies are in compliance. If they are not, and there are not extenuating circumstances, we pursue repayment. If there are extenuating circumstances, our recommendations are put in the jobs and carloads report.

Commissioner McOwen said that he thinks it is important that it is understood that our staffing

levels now vs. 10-12 years ago have already gone through the budget crunching sequence. We had twice as many employees 10 years ago. Commissioner McOwen said we are already lean and mean.

Economic Development and Strategic Planning Committee – Commissioner Bennett
Commissioner Bennett said that our task over the past several months has been to develop a benefits tool. This tool will help us evaluate project requests for funding with items such as job creations, etc. Commissioner Bennett said since January, they have been discussing the content of what should be included in the application. They have been working on a format and trying to develop a spreadsheet that is user friendly, self-explanatory, and easy for staff to modify and revise. Commissioner Bennett handed out a packet with all of the exhibits. Exhibit A is the application the railroads would use. The other exhibits would be for staff to use. Art Arnold will be helping us drive this through. Commissioner Bennett said we will test the application with three railroads. We need their input. Commissioner Bennett said the consultant did a great job. Director Dietrich said we don't want to have an application that railroads need to hire a consultant to help complete. We need to be able to use it. Commissioner Bennett said they hope to have it wrapped up in August.

Chairman Bradley asked what input would be needed from the railroads. Commissioner Bennett said what information is readily available, such as how many trucks it will get off the road, the type of materials shipping, etc. Commissioner McOwen stressed as a former shortline person, to please not make it very complicated. Director Dietrich said that is why we are doing a test run. We need to know what is reasonable and what is useable. Director Dietrich said we will have a cross section of three railroads. It will be a great tool. Commissioner Green said that from the DOD perspective, he thinks this is a step in the right direction, with the increased level of scrutiny. He said it is necessary to have these things in the background. Commissioner Wolfe said that the American Association of Railroads would be a big help and a good resource. Commissioner Bennett said that the consultants have relied on the AAR, FHWA, etc.

OLD BUSINESS
There was no old business to come before the Commission.

NEW BUSINESS
Chairman Bradley asked Director Dietrich to give us a brief description of our July meeting. Director Dietrich said our meeting will be held at OKI (Ohio Kentucky Indiana) Regional Council of Governments, in Cincinnati. We will have an abbreviated meeting beginning at 11:00 and we will not have any committee meetings. As part of the agenda, OKI will give a briefing of their freight study. Director Dietrich said that OKI was one of the entities we partnered with to extend the Heartland Corridor Doublestack Clearance from Rickenbacker to the Cincinnati/Sharonville Yard. OKI is very attuned to freight. Director Dietrich said we will be going out to at least two projects. We are trying to identify a safety project in that area as well.

Chairman Bradley would like to do this once a year. If anyone has any ideas for next time, please let Director Dietrich know.

Chairman Bradley said there is a lot of freight congestion in Cincinnati. Director Dietrich said it is both perceived and real. It is very appropriate to start our meetings there. Director Dietrich met with the Mayor of Sharonville and District 8 about the impacts of the doublestacks. He

addressed their concerns. Instead of intermodal yards happening then dealing with roads, we are working more with ODOT from the beginning. Commissioner Murphy said that one of their goals is to not have ongoing North Baltimores or Rickenbackers where facilities open with no way to get trucks to them. The idea is to do it concurrently. Commissioner Murphy said they are hiring next week for an administrator over economic development.

PUBLIC COMMENT

There was no public comment to come before the Commission.

EXECUTIVE SESSION

At 12:15 p.m. Commissioner McOwen made a motion to move to Executive Session for the purpose of discussing the *Sarah E. Hughes vs. Ohio Rail Development Commission* and *Ralph Van Hoose, Jr., Et Al. v. Ohio Rail Development Commission* matters. Commissioner Wolfe seconded the motion. Roll call was taken with ten votes in the affirmative.

Commissioner Murphy left at 12:16 p.m.

ADJOURNMENT

Chairman Bradley reconvened and adjourned the meeting at 12:30 p.m.

TO: ORDC Commissioners

FROM: Matthew Dietrich

SUBJECT: July 2011 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the May Commission Meeting.

1. ARRA Project Review: At the request of the Federal Highway Administration Ohio Division, the awarded rail projects were reviewed by the FHWA's national review team May 23 – 26. It was a comprehensive review of ORDC and ODOT's application of FHWA rules and requirements to non-highway projects. ORDC has not yet received a copy of the final report but the feedback received from the review team was both positive for the work done and identified areas where we may want to strengthen efforts if federal funds are ever eligible again for rail projects.

2. State Rail Plan: ORDC staff and Wilbur Smith have been working with the railroads regarding the benefits calculator and the revised application that accompanies it. Three shortline railroads volunteered to test the application and provided feedback. Overall the response was positive. Couple of comments to note: First the railroads felt that it provided them a better understanding of what the ORDC was looking for in a successful application. Second, many hope that ORDC can migrate the application to a web-based submission process. Staff and Wilbur Smith are examining these last items and then the project will be complete.

3. In other planning activity, ORDC staff provided stakeholder input into the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) draft Regional Freight Plan. The draft plan is available at www.oki.org/freight . ORDC staff comments are attached.

4. Staff issued the annual solicitation for rail line rehabilitation projects. Staff anticipates projects for consideration by the Commission at the September meeting.

5. Chairman Bradley and I met with ODOT Director Wray's Task Force to discuss Commission activities.

6. ORDC staff participated in the following activities since the May meeting.
    - Department of Development tour of the Rickenbacker Intermodal Facility
    - Presentation on ORDC planning and safety activities at the Mid America Association of Transportation Officials (MAASTO) in Cincinnati
    - CSX's North Baltimore Intermodal Facility Open House
    - Commissioner Greenleese represented the Commission at the Jeep Parkway Development Site event in Toledo
    - Operation Lifesaver Event on the Wheeling and Lake Erie (see attached prepared by Stu Nicholson)

OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

June 27, 2011

Mr. Mark Policinski
Executive Director
Ohio-Kentucky-Indiana Regional Council of Governments
720 East Pete Rose Way, Suite 420
Cincinnati, OH 45202

Dear Mr. Policinski,

Congratulations on the release of the draft *OKI Regional Freight Plan*. The ORDC has reviewed the Draft Recommendations, dated June 2011. As you know, during the Budget hearings in the Statehouse, the member of both the Ohio House and Senate asked many questions on a variety of Cincinnati related freight railroad issues. The OKI Freight Plan helps highlight many of these issues as it provides an excellent overall review of the critical transportation issues facing your region. The Freight Plan identifies opportunities; it solidifies the list of priorities; and it establishes a sound base for moving forward.

ORDC's technical comments on the document are included in the attached "ORDC Technical Comments" report included herein for your consideration. They generally focus on the sections of the report that are specifically related to the Freight Rail Recommendations.

The Cincinnati railroad lines, yards and intermodal facilities are some of the most important in the State and the *OKI Regional Freight Plan – Draft Recommendations* provides an excellent review of the priorities and strategies needed to develop future capacity and ensure the fluidity needed for the continued operation needed for the growth in freight transportation in your region of the state.

I would like to reiterate that the Ohio Rail Development Commission stands ready to assist with the on-going planning, development and implementation of the railroad-related recommendations as outlined in the *Regional Freight Plan.* The ORDC staff can provide both technical advice and financial support to rail improvement projects state-wide and we would be happy to assist OKI with advancing the recommendations outlined in your freight study with the staff, the mechanisms and the expertise needed to help OKI coordinate the wide variety of freight rail projects set forth in the plan.

I hope that these comments on your Freight Plan have been helpful and I look forward to discussing these with you and your staff at your convenience. Please call me at 614-644-0295.

Sincerely,

Matthew Dietrich
Executive Director

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Enclosure (1)

ORDC Technical Comments

Technical Comments:

- Overall, the OKI Freight Plan is appropriately comprehensive and the document successfully addresses the issues related to all of the modes of freight transportation in the Cincinnati region.
- The draft Plan provides a solid framework from which to advance its recommendations and it identifies the critical and priority projects in the Cincinnati region.

Structure of Recommendations, first paragraph, Page 5:

- It is not clear how this document relates to overall OKI freight planning process and to other up-coming freight planning work tasks.
- Revisions to the first paragraph on page 5 should help explain what role the Freight Plan Recommendations will play as part of the continuing OKI Freight Planning Program.
- A list of other documents that will be, or are currently being produced, should be identified.

At-Grade Crossings: Safety Review and Improvements, Page 38:

- This section does not consider the existing state programs currently in place to address railroad-highway grade crossing safety which could result in redundant activities by multiple government entities. For example, Waneta Street in Middletown is already part of the on-going Norfolk Southern "CJ" Corridor Projects which is currently planned for improvement under an agreement between the ORDC, the City of Middletown and NS. We recommend that the report include a recommendation to first review existing grade crossing safety activity in the region to determine how new regional initiatives can be most effective leveraging available resources.
- The report identifies a cost of $25,000 to improve the safety at the top five highway-railroad at-grade crossings, but the report does not identify what this cost estimate is based on.
- Page 44, fifth bullet: Railroad at-grade signage is dictated by the Manual on Uniform Traffic Control Devices (MUTCD) and regulated by the PUCO.

Hopple Street Passing Track and Crossovers, Page 39 and Mill Creek Additional Track, Page 40:

- The OKI Freight Plan has identified the Hopple Street Passing Track/Crossovers and the Mill Creek Additional Track as separate projects and top priority projects. The report, as written, overly simplifies the complexity of advancing a strategy to resolve track capacity and improve operational fluidity in one of the nation's busiest railroad urban complexes. Any plan to modify the Hopple Street bridge and/or add a fourth track should be carefully considered as part of a holistic, overall - long term plan for improving the Mill Creek railroad complex such as those identified in the recommendation for Regional Private/Public Freight Rail Partnership, p. 43. The report should elaborate on the possible next steps needed to develop this detailed capital plan with the goals being the expansion of capacity and the improvement of the operational efficiency of the railroads in the Mill Creek.

Regional Private/Public Freight Rail Partnership, Page 43:

Move this section to the first recommendation under the Railroad Freight Recommendations. Given the complexity of the individual projects and initiatives identified in this section, it is apparent that a very large and coordinated effort with the railroads is needed to provide both context and a mechanism to advance many of the items in this section which makes this activity essentially a prerequisite for advancing the projects.

Reading Road Grade Separation, Sharonville, Page 42:

- If it is known, Norfolk Southern's medium and long term plan for the Sharonville Yard should be described. Is there any additional operational information available related to the planned improvement and expansion of the NS Sharonville Intermodal Yard?
- The planning for the expansion and/or upgrade of the Sharonville Intermodal Yard and the related development of the Reading Road Grade Separation should also benefit from a coordinated project planning approach advanced through the Plan's proposed Regional Freight Rail Partnership.

General Railroad Freight Related Questions and Comments:

- Why does the report say that Gest Street Intermodal Terminal is approved for 94,000 lb. trucks with container for agriculture products but does not also say that Queensgate Intermodal is also approved for agriculture products?
- How can the report recommend establishing some heavy truck routes, and then say that this is a NO COST proposition? There is a cost of increased maintenance that should be examined and identified at some point in the planning process, and it should be acknowledged in the report that heavier trucks will necessitate additional road maintenance.
- In the Policy discussion on AK Steel, Page 33, was there any analysis related to the railroad rates charged and the impact of these rates on AK Steel ability to expand the utilization of existing NS and CSX railroad connections in order to avoid moving additional truck volumes on the highway system? Are there capacity issues at the AK Steel Plant?
- It would be helpful to have a map that identifies the location and extent of the limited 4th main proposal and the new passing track at Hoople Street.
- Page 44, Bullet on shipper concerns: What are the OKI planning recommendations concerning the analysis of, and if there should be a public role in pricing rail shipping rates?

Railroad Economic Development Properties

- The Ohio Department of Development (ODOD) has a variety of programs which could help with the identification, marketing and development of properties having excellent rail access. These should be identified in the report and integrated into the recommendation.

Operation Lifesaver Enforcement Train

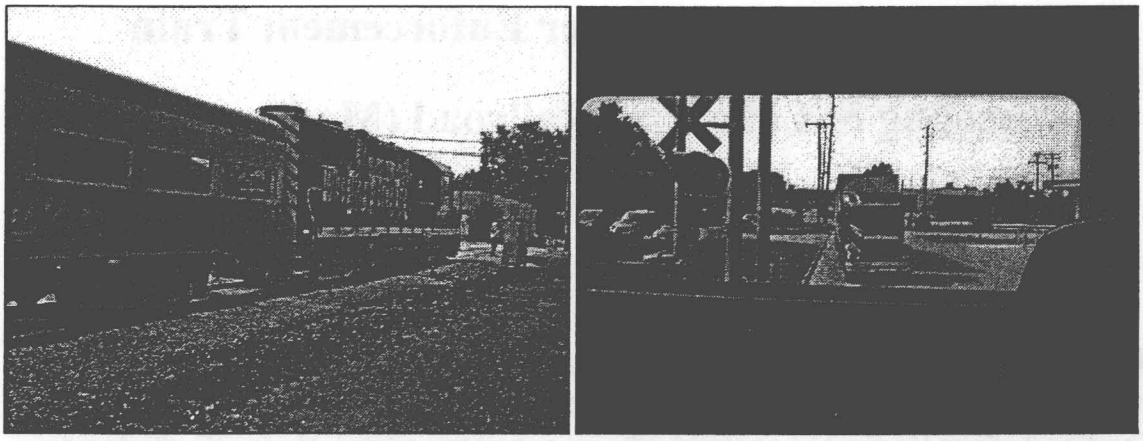
Wheeling & Lake Erie Railroad (Medina to Akron)

June 10, 2011

ORDC Safety Section Director Susan Kirkland, Safety Engineer Joe Reinhardt and Public Information Officer Stu Nicholson represented the Commission on two round trips of the Wheeling & Lake Erie rail line between the cities of Medina and Akron. The train ride, sponsored jointly by Operation Lifesaver and the W&LE, was aimed primarily at educating local school bus drivers (who rode the trains) about railroad grade crossing safety.

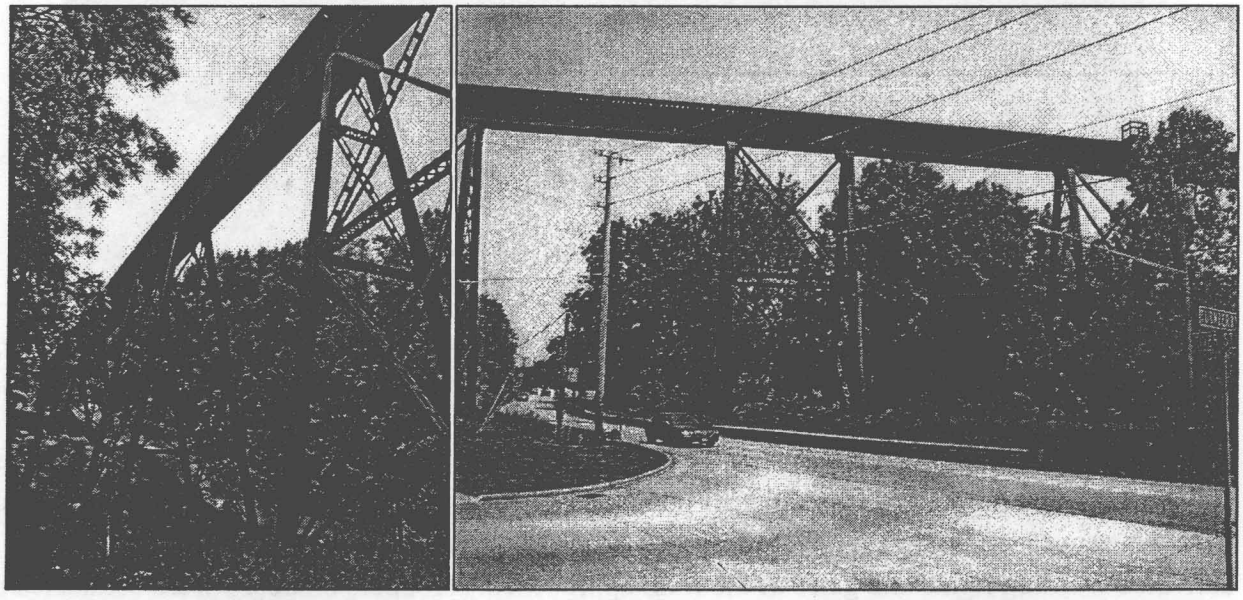
ORDC's Safety Director Susan Kirkland talks with W&LE President William Callison, while Safety Engineer Joe Reinhardt chats with Leah Dalton of the PUCO's Rail sSafety Section

The train also served as an "enforcement train", as it carried Ohio State Patrol troopers and video cameras to catch grade crossing violators and trespassers on railroad property. Between the two trips, **10 people were cited for violations**, including three drivers who drove around the activated warning lights and gates as the train approached. Troopers on board were connected by radio to both OSP troopers and other law enforcement officers, who then stopped violators and issued citations.



Operation Lifesaver / W&LE enforcement train leaves Medina for eastbound trip to Akron

It is worth noting as well that this is a rail line in which the ORDC has invested heavily to help the Wheeling & Lake Erie upgrade tracks, grade crossing warning lights and gates and the rehabilitation of the over 100-year-old River Styx railroad bridge (as seen below).



MEMORANDUM
July 15, 2011

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from May 5, 2011 to July 15, 2011:

1. **Finance Reports.** Staff has prepared statements to reflect current outstanding loans, revenue collection, and project balances.

2. **FY 2011 Budget Close-out.** As reported at the May meeting, OBM released approximately $151,000 that had been withheld from the ORDC budget since the start of the fiscal year last July. The majority of those funds were used for the Newark Yard Expansion Project that is being reported at the July meeting. The total amount of grant funds committed at the end of the year was $1,534,950.

3. **FY 2012-2013 Budget Update.** The 2012-2013 budget has been finalized. ORDC's spending authority includes: Grade Crossing Safety appropriations of $15.0 million per year, General Revenue Fund appropriations of $2.0 million (grants and partial ORDC operating costs), and approximately $2.9 million in loan fund and Panhandle debt reserve appropriations.

4. **ARRA Projects.** ORDC continues to work with ODOT and the Ohio Division of the Federal Highway Administration to administer approximately $70 million of Ohio's ARRA funds for rail-related projects. All projects have been authorized by the Federal Highway Administration for funding and are in various stages of preparation/bidding/construction/completion. *(Updates since the May report are italicized.)*

   Project Updates:
   - Camp Chase Bridge over West Broad Street (Columbus): Construction is complete.
   - Cleveland Commercial Railroad tie replacement: Construction is complete.
   - RJ Corman Western Ohio Lines tie replacement and surface reconstruction: Construction is under way.
   - City of Jackson rail line rehabilitation: Construction *is complete.*
   - Panhandle Rail Line rehabilitation: Construction is complete.
   - Heartland Corridor Extension to Cincinnati (NS): Construction is under way. *Three of the five clearance locations are either complete or very near completion; the two new support tracks at the Rickenbacker Intermodal Facility are also very near completion. The two remaining clearance projects are expected to be finished in late 2011.*
   - Wheeling & Lake Erie Railroad rehabilitation: *Construction is complete.*
   - Airline Yard Intermodal Facility (NS): Construction is under way.
   - West Central Ohio Port Authority (WESTCO) tie replacement, surface reconstruction, and bridge rehabilitation: Construction is complete.

- City of Medina rail line rehabilitation: *Project is currently out to bid, with proposals due August 9.*
- City of Youngstown/Brier Hill Industrial Park: *The City has been authorized to enter into a contract with the low bidder. A pre-construction meeting will be scheduled shortly.*
- Toledo Shipyard (Toledo/Lucas County Port Authority) Rail Spur: Construction is complete.
- General Cargo Facility 1 (Toledo/Lucas County Port Authority) Rail modernization: Construction *is complete.*
- CSX National Gateway Vertical Clearances: In support of the National Gateway Initiative, there are four roadway bridges being replaced, one roadway bridge being removed, and two railroad interlockings being constructed. Construction contracts are moving forward. Construction has started at the Park Street bridge removal site in Akron. Design has begun as part of the design-build project for Mud Lake Road in Medina County. Construction of the railroad interlockings at Kent and Ravenna is underway.

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month Ending June 30, 2011

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	1,535,897.00	(947.00)	0.00	1,534,950.00	1,352,950.52	181,999.48	0.00	0.00%	GRANT (ALL)
GRF	465M	STATE	46,200.00	250.00	0.00	46,450.00	1,190.18	44,794.32	465.50	1.00%	PERSONAL SERVICE/OTHER
GRF	4651	STATE	627,203.00	3,250.00	4.00	630,449.00	0.00	625,869.05	4,579.95	0.73%	PAYROLL
GRF	4652	STATE	78,650.00	(2,553.00)	0.00	76,097.00	663.00	74,354.55	1,079.45	1.42%	OFFICE EXPENSE
	FUND TOTAL		**2,287,950.00**	**0.00**	**4.00**	**2,287,946.00**	**1,354,803.70**	**927,017.40**	**6,124.90**	**0.27%**	**FUND TOTAL - GRF**
7002	4FN7	FEDERAL	1,282,800.00	4,442,640.61	0.00	5,725,440.61	339,329.54	7,931.42	5,378,179.65	93.93%	GRADE CROSSING PAVEMENT
7002	4FP7	FEDERAL	13,000,000.00	1,933,649.58	234,097.96	14,699,551.62	8,570,069.53	1,018,293.52	5,111,188.57	34.77%	GRADE CROSSING DEVICES
7002	4SP1	FEDERAL	717,200.00	15,000.00	1,120.00	731,080.00	0.00	709,542.14	21,537.86	2.95%	GRADE CROSSING SAFETY'S PAYROLL
7002	4SP2	FEDERAL		3,500.00		3,500.00	0.00	2,703.78	796.22	22.75%	GRADE CROSSING SAFETY'S TRAVEL
	FUND TOTAL		**15,000,000.00**	**6,394,790.19**	**235,217.96**	**21,159,572.23**	**8,909,399.07**	**1,738,470.86**	**10,511,702.30**	**49.68%**	**FUND TOTAL - 7002**
3B90	8FB5	FEDERAL	0.00	971,450.00	0.00	971,450.00	971,450.00	0.00	0.00	0.00%	FEDERAL RAIL - SUBSIDY
	FUND TOTAL		**0.00**	**971,450.00**	**0.00**	**971,450.00**	**971,450.00**	**0.00**	**0.00**	**0.00%**	**FUND TOTAL - 3B90**
4N40	6FC5	OTHER	0.00	1,125,000.00	0.00	1,125,000.00	900,000.00	225,000.00	0.00	0.00%	RAIL TRAN - GRANTS
4N40	6FC7	OTHER	0.00	54,408.68	0.00	54,408.68	45,000.32	4,408.68	4,999.68	9.19%	RAIL TRAN - OTHER ASSISTANCE
4N40	6FC9	OTHER	1,905,600.00	(56,758.68)	0.00	1,848,841.32	1,013,000.00	0.00	835,841.32	45.21%	RAIL TRAN - LOANS
4N40	6FD9	STATE	764,300.00	0.00	0.00	764,300.00	0.00	0.00	764,300.00	100.00%	PANHANDLE LEASE PAYMENT
4N40	6111	STATE	205,900.00	1,000.00	4.00	206,896.00	0.00	204,417.99	2,478.01	1.20%	PAYROLL(PROPERTY MGNT)
4N40	6112	STATE	0.00	1,350.00	0.00	1,350.00	0.00	1,345.26	4.74	0.35%	OFFICE EQUIPMENT
	FUND TOTAL		**2,875,800.00**	**1,125,000.00**	**4.00**	**4,000,796.00**	**1,958,000.32**	**435,171.93**	**1,607,623.75**	**40.18%**	**TOTAL - OTHER ASSISTANCE**
5CF0	6TL5	OTHER	0.00	85,000.00	0.00	85,000.00	85,000.00	0.00	0.00	0.00%	TRANSLOAD FUND
	FUND TOTAL		**0.00**	**85,000.00**	**0.00**	**85,000.00**	**85,000.00**	**0.00**	**0.00**	**0.00%**	**FUND TOTAL - 5CF0**
	GRAND TOTAL		**20,163,750.00**	**8,576,240.19**	**235,225.96**	**28,504,764.23**	**13,278,653.09**	**3,100,660.19**	**12,125,450.95**	**42.54%**	

ORDC - Loan Payback (Active Loans)
July 6, 2011

	Loans	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	App, Loan, Interest & Admin. Fees	Total Payments
*FY04 Columbiana County Port Authority **	*$2,098,047*	*$216,704*						***$110,059***	***$2,208,105***
FY04 Maumee & Western *	$199,088	$17,209						***$8,460***	***$207,548***
FY07 Marion Industrial Center *	$273,000	$68,569	$22,856					***$32,078***	***$305,078***
FY07 WESTCO *	$308,000	$50,026	$50,026	$50,026	$25,013			***$35,760***	***$343,760***
FY08 WESTCO (Sugar Creek Bridge) *	$280,417	$43,189	$43,189	$43,189	$43,189	$17,995		***$20,147***	***$300,565***
FY07 Village of Leipsic *	$825,000	$135,713	$135,713	$135,713	$135,713	$67,857		***$52,702***	***$877,702***
FY09 Lancaster Port Authority *	$145,163	$29,017						***$4,911***	***$150,074***
FY09 WESTCO (Springfield/WCH) *	$400,000	$60,079	$60,345	$60,345	$60,345	$60,345	$5,029	***$20,513***	***$420,513***
FY09 Maumee & Western (HotStart) *	$90,000	$18,397	$18,700	$18,700	$17,142			***$3,871***	***$93,871***
FY10 Deltech Polymer *	$337,457	$70,015	$70,519	$70,519	$70,519	$11,753		***$15,986***	***$353,443***
FY10 Ashland Railway *	$280,000	$56,419	$58,512	$58,512	$58,512	$48,760		***$13,349***	***$293,349***
FY06 Wheeling & Lake Erie ***	$150,000								
FY07 Wheeling & Lake Erie ***	$378,600								
FY08 MGQ, Inc. ***	$300,000								
FY08 City of Jackson ***	$300,000								
FY10 New Horizons Baking Company ***	$50,000								
FY11 MPR Supply Chain Solutions ***	$250,000								
FY11 American Rail Center ***	$500,000								
	$7,164,772	**$765,337**	**$459,862**	**$437,006**	**$410,434**	**$206,711**	**$5,029**	***$317,834***	***$5,554,006***

Loan Amount Received to Date: **$47,979**
Loan Balance Due: **$897,223**

*Loans Active
**Loans Paid Off
***Loans in Process

Revenue Received FY 2011
June 2011

Name	CT #	Invoice #	Reimbursements 7002/GRF	Reimbursements 4N4(53490)	Gas & Oil Leases, Royalties and Other - 4N4 (49995)	ORDC Loan Payment - 4N4 Fees (29991)	ORDC Loan Payment - 4N4 Princ. (79955)	ORDC Loan Payment - 4N4 Inter. (79956)	Running Total
Ashland Railway	Electronic Transfer						4,666.67	0.00	946,170.10
Deltech Polymers	Electronic Transfer						5,624.28	0.00	951,794.38
Lancaster Port Auth	Electronic Transfer						4,072.30	72.97	955,939.65
MIC	Electronic Transfer						5,286.74	427.38	961,653.77
Maumee & Western (Rehab)	Electronic Transfer						2,425.94	32.53	964,112.24
Maumee & Western (HotStart)	Electronic Transfer						1,470.82	60.00	965,643.06
Village of Leipsic	Electronic Transfer						10,009.67	1,299.78	976,952.51
WESTCO #1 (bridge)	Electronic Transfer						3,465.21	703.62	981,121.34
WESTCO #2 (bridge)	Electronic Transfer						3,145.12	453.97	984,720.43
WESTCO #3 (rehab)	Electronic Transfer						4,761.90	0.00	989,482.33
Ergon Trucking	96	RA008011			250.00				989,732.33
Portage Resources, Inc.	97				432.33				990,164.66
Resource Energy	98				40.63				990,205.29
Village of Orwell	99	RA009111			307.48				990,512.77
Aqua Ohio, Inc.	100	RA008611			307.48				990,820.25
Genesee & Wyoming	100	Apex - May			10,170.00				1,000,990.25
		Monthly Total	0.00	0.00	11,507.92	0.00	44,928.65	3,050.25	59,486.82
		Grand Total	1,076,999.08	225,020.15	205,704.42	13,188.39	525,929.21	31,148.08	1,000,990.25

OHIO RAIL DEVELOPMENT COMMISSION: June 30, 2011 Finance Report (FY 2011)

GRF APPROPRIATION AVAILABLE FOR PROJECTS		
GRF APPROPRIATION FOR PROJECTS		**1,534,950**
LESS: BUDGET REDUCTION (net)		
LESS: PROJECTS ENCUMBERED or DISBURSED		
Maumee & Western	**227,500**	
Lancaster Port Authority Transload on I&ORY*	**18,600**	
City of Greenfield Midland City to Greenfield Line	**130,000**	
I&O Midland Sub Phase III	**200,000**	
Novotec Rail Spur	**50,000**	
RJ Corman Western Ohio Lines Bridge and Track Wk	**200,000**	
International Technical Coatings (ITC)	**125,000**	
Dennison Depot	**18,000**	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
I&O Lancaster to Logan Phase I (portion)	**38,550**	
I&O Lancaster to Logan Phase II	**175,000**	
United States Steel, Lorain Tubular Operation	**100,000**	
NCI	**75,000**	
City of Greenfield Bridge Repairs (Additional)	**26,000**	
LESS: PROPOSED GRF COMMITMENTS FOR FY 2011		
Ohio Operation Lifesaver	**1,300**	
Ohio Central-Newark Yard	**150,000**	
TOTAL	*1,534,950*	*-1,534,950*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***0***

**The balance of the Lancaster Port Authority Transload is encumbered in the transload fund.*

VAN WERT SALVAGE FUNDS AVAILABLE FOR PROJECTS		***971,450***
LESS: PROJECTS ENCUMBERED or DISBURSED		
Van Wert Scott Equity Rehab/Job Ready Site	**500,000**	
City of Greenfield Bridge Repairs	**235,000**	
ACJ RR Emergency Bridge Repairs	**125,000**	
I&O Lancaster to Logan Phase I (portion)	**111,450**	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
TOTAL	*971,450*	

RAIL DEVELOPMENT FUND 4N40 - REVOLVING LOAN FUND	Uses of funds	Spending Authority	Cash
Cash Balance as of 7/15/2011			6,057,850
LESS: OPEN ENCUMBRANCES	754,629		
LESS: PANHANDLE RESERVE FUND	764,300		
TOTAL	*1,518,929*		*-1,518,929*
FISCAL YEAR 2011 APPROPRIATION		2,111,500	
PLUS: APPROPRIATION INCREASE BY CONTROLLING BOARD		1,125,000	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	208,246		
LESS: PROJECTS ENCUMBERED or DISBURSED			
MPR	**250,000**		
National Gateway Admin to Eastern Federal Lands	**1,125,000**		
River Corners-Pawnee Rd Acquisition (National Gateway)	**45,000**		
Hardin Rail Logistics Center	**500,000**		
D&L Energy Rail Spur	**163,000**		
Novotec Rail Spur	**100,000**		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
Jamen Corporation	**350,000**		
LESS: PROPOSED COMMITMENTS FOR FY 2011			
TOTAL	*2,741,246*	*-2,741,246*	*-3,236,500*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***495,254***	
ADDITIONAL CASH BALANCE OF FUND 4N40 AVAILABLE*			***2,202,421***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2011 Project Balance Summary	
Remaining GRF Appropriation for Projects	**0**
Remaining 4N40 Appropriation for Projects	**495,254**
Balance of ORDC Appropriations for Projects	**495,254**

PROJECT BRIEFING:
ADMINISTRATION OF TRAC AWARD FOR THE VILLAGE OF LEIPSIC RAILROAD PROJECT

July 15, 2011

Project Cost		**Project Benefits**
Railroad Infrastructure Improvements	**$800,000**	**Railroad infrastructure connection to Job Ready Site**

INTRODUCTION: ODOT's Transportation Review Advisory Council (TRAC) awarded $800,000 in non-federal, non-state-gas-tax funds to the Village of Leipsic's proposal for rail infrastructure at the Village of Leipsic's Iron Highway Industrial Park. ORDC staff requests Commission approval to administer those funds on behalf of ODOT.

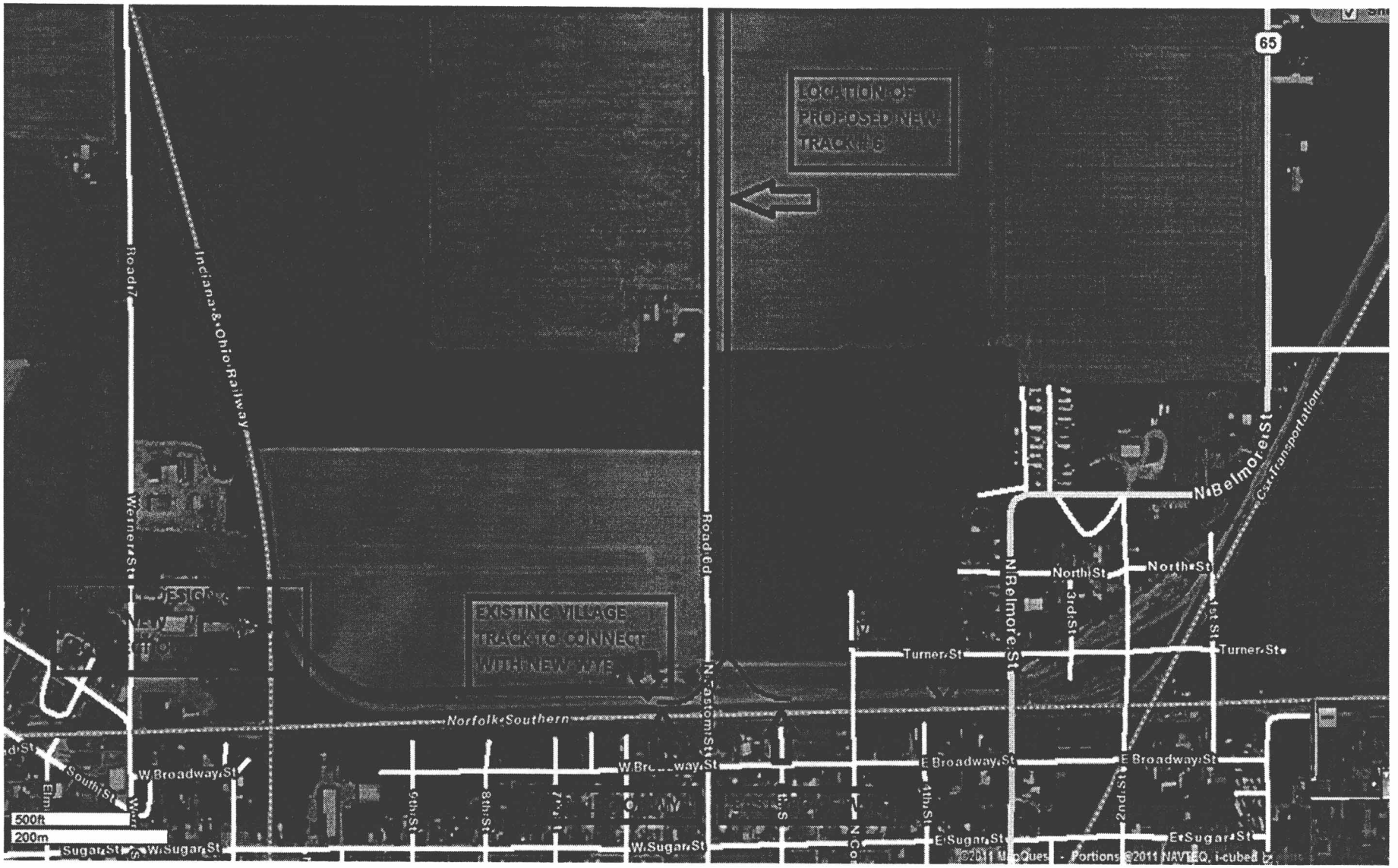
BACKGROUND: The "Iron Highway Industrial Park" is located just north of the Village of Leipsic proper in Putnam County. The Park is served by two natural gas providers, four electric providers, has raw and treated water, and excess waste water capacity. The Park is bounded by CSX on the east, the Indiana & Ohio Railway (I&O) on the west, and the Norfolk Southern (NS) on the south which led some in the economic development community to call the area the "Golden Triangle." In May 2007, ORDC approved grant ($100,000) and loan ($825,000) funding to help build 13,800 feet of new rail track in order to connect CSX, Norfolk Southern (NS) and the Indiana & Ohio Railway (I&O) to the Iron Highway Industrial Park in Leipsic and to commence tri-rail service to a Poet Ethanol facility.

To further develop the rail capacity at the park, the village applied to ODOT's TRAC for funds to design an $11 million railroad infrastructure project that would augment the capacity of existing rail users and provide substantial on-site infrastructure at the village's Job Ready Site. During further project development, the village, ODOT District 1, and ORDC determined that the best use of funds would be to construct as much infrastructure as possible with the funds available, as well as preserving flexibility for potential users of the Industrial Park and the Job Ready Site. The immediate plan is to construct a connection for the Job Ready Site to the existing railroad infrastructure. The village, ODOT, and ORDC further agreed that ORDC's processes are more appropriate given the nature of the project and the funding source.

PROJECT DESCRIPTION: An aerial view of the Iron Highway TRAC Project Site is attached to this briefing as "Exhibit A." The project is expected to consist of preliminary design of a new NS connection from the NS mainline to the Village Track, design of a new Wye Track off of the Village Track, design of new "Proposed Track #6" off the new Wye Track, and construction of as much of the new Wye Track and Track #6 as possible with the existing funding.

PROJECT BENEFITS: The project will design and construct rail infrastructure connecting the existing Village Track to the Job Ready Site. ORDC administration of the TRAC funds will streamline project development.

AERIAL VIEW OF IRON HIGHWAY TRAC PROJECT SITE



"EXHIBIT A"

ec

RESOLUTION 11-09
RE: TRAC AWARD FOR VILLAGE OF LEIPSIC RAILROAD PROJECT

A RESOLUTION TO ADMINISTER FUNDS AWARDED TO THE VILLAGE OF LEIPSIC BY THE TRANSPORTATION REVIEW ADVISORY COUNCIL ("TRAC") UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration an $800,000 award from the Ohio Department of Transportation's TRAC for the construction of rail infrastructure at the Iron Highway Industrial Park located in Leipsic in Putnam County, Ohio; and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.02(F) authorizes the department of transportation to use all appropriate sources of revenue to assist the commission in developing and implementing rail service; and

WHEREAS, the ORDC is charged by ORC 4981.032 to issue grants and loans to any transportation authority or to any person for the purpose of continuing or instituting rail transportation in the state; that such grants and loans may be used for rehabilitation, construction, planning, relocation, or acquisition of rail transportation or rail property, or for substitute service; and such grants and loans may be provided by the commission with funds from the United States government, the state, any transportation authority, or any person, or from any combination of those sources; and

WHEREAS, ORC 4981.07(C) permits the ORDC to enter into agreements with the department of transportation, boards of county commissioners, boards of township trustees, legislative authorities of municipal corporations, with other governmental agencies or organizations, and with private corporations or organizations in order to facilitate implementation of rail service;

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby authorizes the ORDC to administer the TRAC award identified above.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____	yes	_____	no	_____	absent	____	abstained	____	recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____	recused
Robert Greenlese	____	yes	_____	no	_____	absent	____	abstained	____	recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____	recused
Nate Green for James A. Leftwich	____	yes	_____	no	_____	absent	____	abstained	____	recused
William Lozier	____	yes	_____	no	_____	absent	____	abstained	____	recused
Thomas McOwen	____	yes	_____	no	_____	absent	____	abstained	____	recused
Ronald C. Rasmus	____	yes	_____	no	_____	absent	____	abstained	____	recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____	recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____	recused
Gregory Murphy for Jerry Wray	____	yes	_____	no	_____	absent	____	abstained	____	recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 7/21/2011

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 7/21/2011
James G. Bradley, Chair Date

BRIEFING
REVISION IN THE LOAN TERMS OF THE
COLUMBIANA COUNTY PORT AUTHORITY LOAN
July 13, 2011

Request
- Change in loan terms.

Benefits
- Enhance ORDC's ability to recover the outstanding principal balance of the loan.

Staff is requesting the Commission approve a revision in loan terms of the Columbiana County Port Authority's $2,098,046.63 loan with the Commission for the rehabilitation of the former Youngstown and Southern line.

Since the Commission first approved a $500,000 grant to assist the Columbiana County Port Authority (CCPA) to purchase the line from Railroad Ventures Inc. (RVI), the Ohio Rail Development Commission has been instrumental in the preservation of this rail line.

A summary of ORDC's assistance to the Youngstown and Southern Rail line includes:

- A grant in the amount of a $500,000 to assist the Columbiana County Port Authority with the original acquisition and rehabilitation of the line in 2000;
- The current loan for $2,098,046.63 million for rehabilitation;
- A grant in the amount of $75,000 for additional rehabilitation work;
- A grant for $45,000 to assist the Port Authority, Ohio and Pennsylvania Railroad and the Community of Columbiana replace a culvert; and
- Over $2 million in grade crossing safety improvements at crossings along the line.

This is the sixth request of the Commission to modify loan terms since the initial approval in September, 2003. The original loan terms called for a loan of up to $2.1 million, with a maturity of six years, and 0% interest in the first two years, 1% in years 3 and 4, and 2.5% in years 5 and 6. The original loan also called for no payment of interest or principal in the first year. The previous modifications were:

1. Resolution 04-15, approved by the Commission on November 18, 2004, which delayed payments by three months. It was a "stop-gap" measure necessitated by the bankruptcy of the original operator, the Central Columbiana and Pennsylvania Railroad (CQPA).
2. Resolution 05-01, approved by the Commission in March 2005, which further delayed payments on the loan to March 1, 2006 to provide the new operator, the Ohio and Pennsylvania Railroad, a subsidiary of the Ohio Central Railroad System, the benefit of the terms that were presented to the original operator: one year of operation principal- and interest-free.
3. Resolution 06-01, approved by the Commission in January 2006, to further defer payments to allow the Ohio and Pennsylvania Railroad an opportunity to examine other funding options including the possibility of a Federal Railroad Administration RRIF loan.

The Ohio Central Railroad subsequently decided to cease operations of the line and not assume the lease out of bankruptcy.

4. Resolution 07-02, approved by the Commission on January 11, 2007, to modify several provisions of the loan related to the expected purchase of the line by Eastern States Railroad (ESRR), a subsidiary of the primary shipper on the line, Total Waste Logistics (TWL), from the CCPA.
5. Resolution 09-25, approved by the Commission on November 19, 2009, to re-amortize the outstanding principal balance of the loan beginning January 1, 2010, and ending with a final payment on December 1, 2014, with an interest rate of 2.5% per year; and to allow accumulated late fees to be paid at the end of the amortization schedule unless the loan is fully repaid early and on-time.

ESRR purchased the CQPA's rights to the line from the bankruptcy court in a process completed in November 2006 and subcontracted the operations of the line to the Youngstown and Southeastern Railroad (YSRR). While details of the sale to ESRR and the assignment of the ORDC loan were being finalized following approval of Resolution 07-02, ESRR began making regular monthly payments on the loan. The outstanding balance of the loan is $1,241,828.94 (of which $53,873.65 is interest). ORDC has not received any payments since March of 2010 and the sale of the line to ESRR and the assignment of the ORDC loan have not taken place. Due to financial and permitting issues, operations at the landfill facility and consequently along the rail line are minimal. In addition to the ORDC loan, the CCPA is the official borrower on an outstanding loan from PNC Bank. CCPA has been paying the PNC Bank loan from its resources.

TWL/ESRR has assembled an investment group to purchase the landfill and rail line. The investment group estimates that the rail line needs $2 million in investment immediately to restart operations and between $5 and $7.5 million within the next three years. Total investment will exceed $16 million including line investment, equipment, cell construction, landfill acquisition and working capital.

The investment group's proposal is to do the following:

- Execute a purchase agreement immediately, subject to ORDC and the CCPA agreeing to assist in securing financing for rail line rehabilitation.
- Apply immediately to the FRA for financing under the Railroad Rehabilitation and Improvement Financing Program (RRIF) in an amount of approximately $8.25 million.
    - The CCPA will be the applicant.
    - The investment group will be co-applicant and will pledge rail income for additional collateral.
    - The loan will be used to acquire the rail line and refinance the repair of the railroad.
- Presuming FRA approval of the loan, the investment group will immediately:
    - Begin construction of opening the next cell of the landfill;
    - Acquire the rail line for $1 from the CCPA;
    - Assume the FRA RRIF loan upon closing;
    - Pay ORDC and the Port Authority lump sum amounts to settle a portion of the outstanding loans;
    - Invest an estimated $7 million in the rail line;

- Provide repayments to ORDC and CCPA of $45 per car until the loans are repaid (less outstanding late fees, which would be waived). The investment group anticipates 5,000 car loads per year.

The investment group anticipates that FRA approval could be obtained in November of this year and has assembled a team of previous FRA and USDOT officials to assist with the loan application.

Staff believes that this proposal offers the best likelihood of ORDC receiving full payment of the principal on the loan. Given that there is very little rail traffic on the line now and ORDC has not received any payments since March of 2010, the probability of repayment under the current circumstances appears low. Staff recommends that the terms of the loan be modified to allow the Executive Director to determine final terms of the loan work-out with the conditions that any such work-out provide for full recovery of principal of the ORDC loan.

RESOLUTION 11-10

RE: COLUMBIANA COUNTY PORT AUTHORITY YOUNGSTOWN & SOUTHERN RAIL LINE REHABILITATION LOAN REVISION (Amendment to Resolutions 03-18, 04-15, 05-01, 06-01, 07-02 and 09-25)

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE COLUMBIANA COUNTY PORT AUTHORITY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration a modification of the provision of assistance under the Act to the Columbiana County Port Authority (the "Authority"); and

WHEREAS, the ORDC staff has submitted to this ORDC a modification to a prior request for assistance submitted by the Authority; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the modification to the proposed assistance will conform to the requirements of the Act and the terms of the modification to the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Authority, as set forth in the ORDC staff's submissions, is appropriate,

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the modification to the assistance proposed to be provided under the Act to assist the Authority with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed modification of assistance to the Authority, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Section 3. That the ORDC hereby amends Resolutions 03-18, 04-15, 05-01, 06-01, 07-02, and 09-25 as set forth in Exhibit A.

Moved By _____

Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____	yes	_____	no	_____	absent	____	abstained	____	recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____	recused
Robert Greenlese	____	yes	_____	no	_____	absent	____	abstained	____	recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____	recused
Nate Green for James A. Leftwich	____	yes	_____	no	_____	absent	____	abstained	____	recused
William Lozier	____	yes	_____	no	_____	absent	____	abstained	____	recused
Thomas McOwen	____	yes	_____	no	_____	absent	____	abstained	____	recused
Ronald C. Rasmus	____	yes	_____	no	_____	absent	____	abstained	____	recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____	recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____	recused
Gregory Murphy for Jerry Wray	____	yes	_____	no	_____	absent	____	abstained	____	recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 07/21/11

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 7/21/11
James G. Bradley, Chair Date

EXHIBIT A

The modifications to the Request for Assistance are as follows:

1. The Executive Director of the ORDC may enter into a work-out agreement, the terms of which are to be determined by the Executive Director of the ORDC and incorporated into the Loan documents. Any such work-out agreement must provide for the full recovery of the principal of the ORDC loan.
2. All other terms, covenants and conditions contained in the Loan documents to be assigned shall remain in full force and effect.

APPROVED PROJECT BRIEFING:
COLUMBUS & OHIO RIVER RAILROAD EXPANSION OF NEWARK YARD

May 27, 2011

Project Funding		
ODOD Logistics & Distribution		**$1,500,000**
CUOH Work to Date		**$250,000**
CUOH Additional Work		**$400,000**
ORDC Grant	**up to**	**$150,000**

Project Benefits

Ohio Central System Gets Efficient Yard
Service to 84 Customers Enhanced
Service for Over 100,000 Carloads/Yr. Enhanced
Railroad Costs Reduced Enhancing Rail Competitiveness

INTRODUCTION: The Chairman and Executive Director approved a request from the Columbus & Ohio River Railroad (CUOH) to provide up to $150,000 as the last dollars into a project to expand the CUOH Newark Yard by extending existing yard tracks and building ladder tracks and a tail track at the cost of approximately $2.0 to $2.4 million.

BACKGROUND: The Ohio Central Railroad has extensive operations in east, central Ohio as shown on the map included herein as Exhibit "A". Ohio Central's initial operations in east central Ohio were on the Zanesville to Brewster/Beach City line which it acquired from the Norfolk & Western in 1986. Soon after, Ohio Central formed the Ohio Southern Railroad to operate the State of Ohio owned Zanesville to New Lexington line. Another Ohio Central Railroad affiliate, CUOH, was formed in 1992 when the State of Ohio acquired the Panhandle Line from Conrail. CUOH has been operating the Panhandle Line since that time. In 2004, CUOH purchased a 50% share of the Panhandle Line from Columbus to Newark as well as the Newark Yard from CSX. As an ancillary part of that purchase, CUOH also entered into a long term lease agreement to take over operations of the CSX Newark to Mt.Vernon and Newark to Cambridge/Byesville branchlines.

The previous owners of the Ohio Central rail lines had large yards in Columbus (Conrail's Buckeye Yard – now part of Norfolk Southern (NS), CSX' Parsons Yard, and N&W's – now NS' - Watkins Yard). Because the previous owners all had these nearby yards, the need for yards out along the lines in east central Ohio was limited. Therefore the lines that the Ohio Central has acquired since 1986 have limited yard space. As the Ohio Central has acquired more tracks and generated more traffic, the need for more of its own yard space has become more and more critical.

In 2004 when CUOH acquired Newark Yard and other CSX trackage, it restructured its operations to make Newark the hub of its train services. However, the Newark Yard is not set up to handle the level of traffic Ohio Central lines are generating. Newark Yard is located along the mainline from Newark to Zanesville to Cambridge, the so called Cambridge Subdivision. It has six yard tracks, all of which are stub ended. It also has a one passing siding. A schematic of Newark Yard is included as Exhibit "B".

As a result of Newark Yard's present configuration, the Cambridge mainline must be used to handle a variety of yard switching needs effectively blocking that main for service to the Cambridge line as well as for through traffic to and from the Ohio Central's interchanges in Columbus with NS and CSX and the Ohio Southern line. In addition, the stub end tracks make putting together trains and switching cars much more time and energy intensive because of the lack of ability to run around train cars with motive power. Virtually any yard move at present requires getting out on the one main track.

The result of Newark Yard's inefficiency is the slower throughput of cars handled. In addition to being more costly to the Ohio Central, the yard inefficiencies reduce the capacity of the Ohio Central to handle more cars for new rail business, more cars for future economic development (there are two Job Ready Sites and many industrial parks along Ohio Central lines), and reduces the effectiveness of Ohio Central service to existing customers. The Newark Yard currently serves 84 Ohio Central Railroad shippers.

PROJECT DESCRIPTION: Exhibit "B" herein shows the trackage Ohio Central will be adding with a $2,050,000 to $2.4 million investment. Final costs will be determined by a competitive bidding process. Yard Tracks One, Two, Three, and Four would become two ended tracks via the extension of the tracks and the construction of a ladder track at the end of those tracks. In addition, a new tail track on the east side of the yard would be constructed to provide another connection between the yard and the Cambridge main to enhance flexibility of operations. The project work will consist of as much as possible of the work below. The work to be performed this year could be constrained by the availability of funds, but CUOH is committed to complete the project with its own funds as they are available within three years. (CUOH projects that it should be able to complete the yard project within one year barring unforeseen circumstances.) CUOH will own and maintain all improvements.

Newark Yard Expansion: Scope of Work

Work Item	Unit Cost	Total Cost
Install 8 Turnouts	**$65,000/turnout**	**$520,000**
Grading, 9,939 ft.	**$22/ft.**	**$218,590**
Construct 10,055 ft. New Track	**$129/ft.**	**$1,297,095**
Surface 15,000 ft. of Track	**$2/ft.**	**$30,000**
Replace 1,600 ft. of Rail	**$33/ft.**	**$52,800**
Install 500 Ties	**$80/tie**	**$40,000**
Install 6,300 Tons of Ballast	**$29/ton**	**$182,700**
Engineering/Surveying	**Lump**	**$30,000**
Drainage	**Lump**	**$30,000**
TOTAL		**$2,401,185**

WHY ORDC FUNDING IS NEEDED: The Ohio Central cannot in the near term future afford to both continue upgrading its rail lines in east central Ohio as is needed, and to expand its Newark Yard. Without funding from the State, the Newark Yard project would take many years to come to fruition or might not be built at all.

PROJECT BENEFITS:

- Improved rail yard lowers the costs of operations for the Ohio Central Railroad in eastern Ohio.
- Lower Ohio Central Railroad costs make it possible for it to provide lower rates for competitive traffic.
- Rail service velocity improved for 84 Ohio Central Railroad shippers.
- Rail service velocity improvements and reduced use of the Cambridge mainline positively impacts over 100,000 carloads of rail traffic annually.

OTHER CONTRIBUTIONS

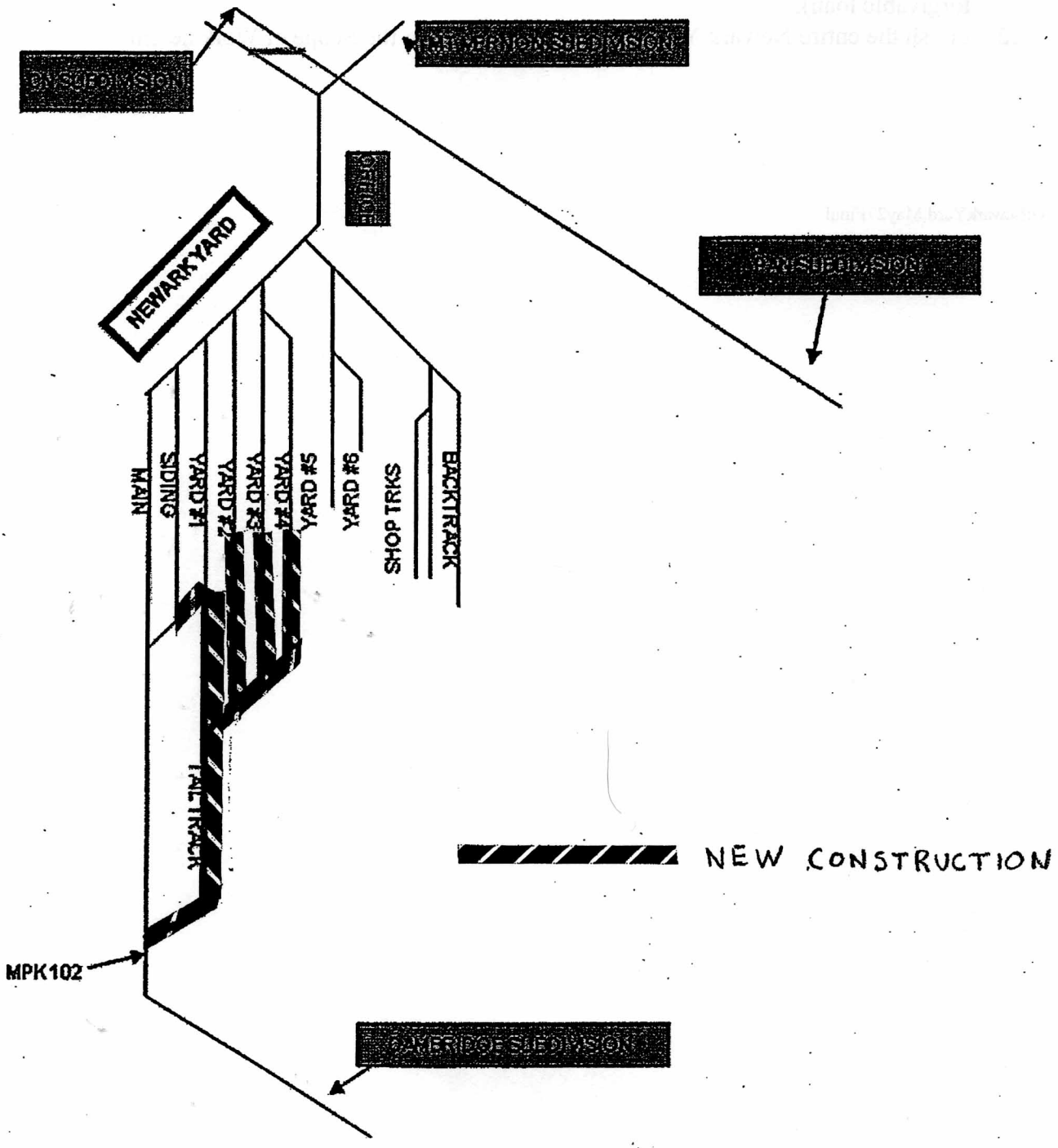
- The Ohio Department of Development through its Logistics and Distribution Program is providing a $1.5 million forgivable loan to CUOH for the yard construction. (When CUOH meets its commitments for construction jobs created ODOD will "forgive" the loan in effect making it a grant.)
- The Ohio Central has already spent over $250,000 on yard improvements and will be responsible for a minimum of $400,000 in cash toward the ODOD and ORDC funded project.
- The Ohio Central will complete all needed work on the yard and other important track work as stipulated below in the "Special Contingencies" section.

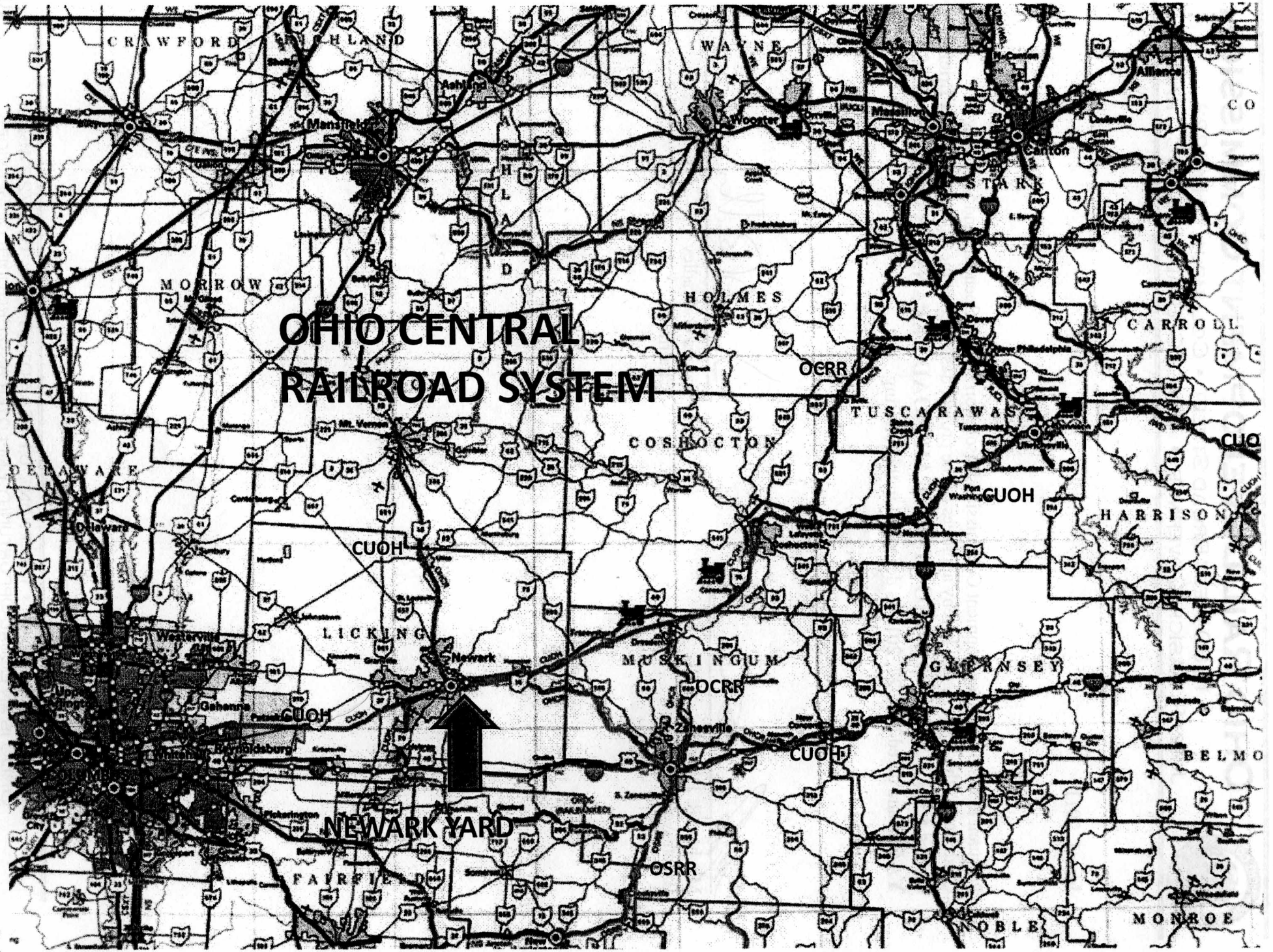
SPECIAL CONTINGENCIES: The purpose of the ORDC (and ODOD) funding is to enable CUOH to make more improvements, and to make them faster than CUOH could do with only internally generated funds. The ORDC – CUOH grant agreement will have "clawbacks", i.e. if certain stipulated conditions are not met, ORDC will have the legal right to require repayment of the appropriate portion of the $150,000 grant funds. The repayment clawbacks for the Newark Yard project will require that within three years of the spending of the ORDC funds, CUOH will:

1. Create two new jobs in Newark Yard (in accordance with ODOD Logistics and Distribution Program forgivable loan).
2. Finish the entire Newark Yard project as described in the Scope of Work herein.

w:NewarkYard,May27Final

"B"


NEWARK YARD
MAIN
SIDING
YARD #1
YARD #2
YARD #3
YARD #4
YARD #5
YARD #6
SHOP TRKS
BACKTRACK
FAIL TRACK
MPK102
NEW CONSTRUCTION


OHIO CENTRAL
RAILROAD SYSTEM
NEWARK YARD
CUOH
OCRR
OSRR
CRAWFORD
WAYNE
MORROW
HOLMES
CARROLL
TUSCARAWAS
COSHOCTON
DELAWARE
LICKING
MUSKINGUM
GUERNSEY
HARRISON
BELMONT
MONROE
FAIRFIELD
Mansfield
Wooster
Canton
Alliance
Mt. Vernon
Newark
Zanesville
Cambridge
Westerville
Gahanna
Reynoldsburg

OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

June 1, 2011

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **COLUMBUS & OHIO RIVER RAILROAD EXPANSION OF NEWARK YARD** and dated May 27, 2011 as described in that briefing.

Matthew R. Dietrich
Executive Director

James G. Bradley
Chairman